A STUDY ON THE WORK CULTURE AND ORGANISATION CLIMATE OF INDIAN OIL CORPORATION LIMITED (IOCL)

Synopsis

Submitted in the partial fulfilment for the requirement of

Doctor of Philosophy

In

Management

Submitted by

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2023

SECTION 1: INTRODUCTION

Due to globalization, business markets are becoming more and more competitive. International companies shift production lines and outsource services to become more cost-effective. In these times, change is an inevitable consequence. Nevertheless, that large organisation has access to the same legal, economic, marketing, or other consultant companies some organisations are more effective than others. The author's opinion is that one of the reasons is internal. How the organisation internally can form an organisational climate.

Relations between employees, and developing organisational culture, are key to success. Therefore, it is important to investigate the correlation between organisational climate and organisational culture.

James and James (1989) define organisational climate as a multidimensional construct that encompasses a wide range of individual evaluations of the work environment.

Glisson and Lawrence (2011) mention the difference between psychological and organisational climates. As the psychological climate is defined as the individual employee's perception of the psychological impact of the work environment on his or her well-being, but when employees in a particular work unit agree on their perceptions of the impact of their work environment, their shared perceptions can be aggregated to describe their organisational climate.

1.1 WORK CULTURE

While a variety of definitions of culture, the most comprehensive one has been offered by (Schein, 2010)**:** a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel about those problems.

Schein suggests that organisational culture is learned by unit members who pass it on to new members through a variety of socialization and communication processes. This definition also implies that overt behaviour, while not directly part of organisational culture, is influenced by the basic assumptions or ideologies **(Trice & Beyer, 1993)** people hold.

Martin (1992, 2002) proposed that organisational culture can be considered from integrative, differentiated, or fragmented perspectives.

An integrative perspective is based on the idea that organisations have one overriding or gestalt culture, an idea that is still being debated in the literature **(Harris & Ogbonna, 1999; Hartnell & Walumbwa, 2011).**

The differentiated perspective accepts the premise that organisations have numerous subcultures. Subcultures represent a focal unit's (e.g., group, division, geographic location) shared values, beliefs, norms, and assumptions. Although the notion of subcultures is well accepted, very little research has empirically examined them or considered their relationship with a gestalt culture **(Li & Jones, 2010).**

Finally**, Martin (1992, 2002)** believes that a fragmented point of view is needed because of the ambiguity associated with knowing whether gestalt cultures and subcultures exist.

1.2 ORGANISATIONAL CLIMATE

Climate is widely defined as the perception of formal and informal organisational policies, practices, procedures, and routines **(Schneider et al., 2011b).**

Lewin and his colleagues were interested in examining the climate or atmosphere created by different leadership styles and the consequences these different climates had on the behaviours and attitudes of members in the groups.**Lennick (1995)** identified various types of departmentalisations in organisations. They are:

- Functional departmentalization which groups together those jobs involving the same or similar activities. According to him, one of the beauties of the vertical, functional organisation is that who you report to and who the boss is very, very clear. He, however, observed that few Japanese companies have ever used functional departmentalisation. Instead, most Japanese companies have always used product or customer-based departmentalisation.
- Product departmentalization involves grouping and arranging activities around products or product groups.
- Customer departmentalisation structures the organisation's activities to respond to and interact with specific customers and customer groups.
- Location departmentalisation groups jobs based on geographic sites or areas.

SECTION 2: LITERATURE REVIEW

This literature review is being executed to gain a better understanding of the significance of organisational climate and organisational culture in its relationship to job satisfaction in the workplace. Organisational climate through an objective view is the psychological aspect of the workplace **(Parker, Baltes, Young, Huff, Altmann, Lacoste, & Roberts, 2003; Pritchard & Karasick, 1973).**

The organisational climate also has a more subjective perspective where an individual makes sense of his perceptions in the workplace **(Parker et al., 2003).**

The structure of such components at the organisational level provides an atmosphere that helps shape the individual experience of an employee's work. Whether a company has a positive organisational climate can influence the level of satisfaction at work. Organisational climate, while also focusing on the same components of an organisation, is more normative in the sense that it explores the attempt to match the values an employee has to the processes and systems in the workforce that influence his or her behaviours and thoughts **(Rousseau, 1990; Sackmann, 1991; Schein, 1990 as cited in Parker et al., 2003).** It is the organisational culture that looks at the psychological components that lead to a successful person-job fit in the organisation.

Job satisfaction is the extent one feels positively about his or her job **(Judge & Kammeyer-Mueller, 2012, as cited in Lee, Park, & Koo, 2015).**

With the absence of a negative environment a work, one feels more comfortable in their ability to perform tasks both productively and favourably **(Desrumaux, Lapointe, Ntsame Simac, Boudrias, Savoie, & Brunet, 2015; Siegle, McCoach, & Shea, 2014).**

Since one spends a significant part of life in the workforce, it is important one is satisfied. The more positivity one feels in their work can contribute to his or her overall well-being, which has a substantial impact on psychological and physical health **(Desrumaux et al., 2015).**

Job satisfaction is defined as the overall happiness one feels regarding their job **(Batlis, 1980).**

The organisational climate of an organisation plays a big role in determining whether one is satisfied with their job. The most important aspects of company climate are those that fostered a great deal of innovation, creativity **(Lukić, et al. 2014)**, information sharing (Madrid et al. 2016), supportiveness **(Pritchard & Karasick, 1973),** and self-efficacy **(Ng et al. 2016).**

Cultural perspective defines the mission as a statement that encompasses organisation's philosophy, identity, and values giving meaning to its goals, norms, decisions, actions, and everyday behaviour **(Bartkus and Glassman, 2008; Hirota et al., 2010; Khalifa, 2011).**

Mannava Sumaja, Dr. Kolachina Srinivas, 2020, Managerial functions play a better role as moderators than a mediator between organisational culture (inclusive of decentralization of authority and HR Productivity.

Organisation culture and employee performance show a significant correlation (**Sheridan, 1992**)

According to **Magee (2002)**, organisational culture is fundamentally associated with employee performance.

There is a positive and statistically significant association connecting organisational culture and employee performance (**Salehipour & Ah mand, 2018)**

Table 1: literature review in matrix form

S. No	Authors	Year of Publication	Focus of Research
1	Parker et al.	2003	psychological climate, operationalized as individuals' perceptions of their work environment, does have significant relationships with individuals' work attitudes, motivation, and performance.
2	Parker, Baltes, Young, Huff, Altmann, Lacost, & Roberts	2003	meta-analytic procedures were used to examine the relationships between individual-level (psychological) climate perceptions and work outcomes such as employee attitudes, psychological well-being, motivation, and performance.
3	Pritchard & Karasick,	1973	It analyses how the climate is generated in organisations, and the consequences that derive from it from the different climates and sublimates, proceeding to emphasize the convenience of distinguishing between global climate and partial climate.
4	Judge & Kammeyer-Mueller	2012	intelligence, five-factor model of personality, and job attitudes
5	Lee, Park, & Koo	2015	organisational identification is significantly associated with key attitudes (job involvement, job satisfaction, and affective organisational commitment)
6	Desrumaux, Lapointe, Ntsame Simac, Boudrias, Savoie, & Brunet,	2015	Explore the association between organisational climate and culture with job satisfaction

7	Siegle, McCoach, & Shea	2014	Factors associated with motivation and satisfaction aid in understanding the processes that enhance achievement and productivity.
8	Desrumaux et al.	2015	Examining the extent to which job demands, individual resources (optimism), and organisational resources (climate) are linked to well-being and distress at work.
9	Batlis	1980	The moderating influences of locus of control and job involvement on the relationships between role conflict, role ambiguity, and three individual outcomes: job satisfaction, job-related anxiety, and propensity to leave the organisation.
10	Ng et al.	2016	Focussed on self-efficacy
11	James and James	1989	Many of the perceptual variables used in industrial/organisational psychology assess the meaning that work environment attributes have for individuals (e.g., the ambiguity of the role prescriptions.)
12	Glisson and Lawrence	2011	This two-level study of child welfare and juvenile justice case management teams addresses construct, measurement, and composition issues that plague multilevel research on organisational culture and climate
13	Schein	2010	Investigate the interaction between dominant organisational culture values and the level of work engagement
14	Trice & Beyer	1993	The development of a compelling organisational culture continues to be an imperative for organisations seeking a competitive advantage
15	Martin	1992, 2002	Include one or more subcultures, each with a distinct set of values and beliefs that are shared among members
16	Harris & Ogbonna	1999;	The relationship between leadership style and performance is mediated by the form of organisational culture that is present.
17	Hartnell & Walumbwa	2011	Examined how employee perceptions of relational identification with the supervisor and self-efficacy mediate the relationship between transformational leadership and supervisor-rated performance.
18	Li & Jones	2010	Organisational culture and climate and the role that these constructs play in understanding the individual as well as collective attitudes, behaviour, and performance.
19	Schneider et al.	2011b	Elucidates a set of mechanisms that foster the emergence of organisational culture and climate and highlights the impact of weak emergent processes on individual and organisational outcomes.
20	Lewin, Lewin, et al.	1951, 1939	The focus of climate research has evolved over the years since Lewin studied experimentally created social climates

SECTION 3: Research Gaps

All the previous studies (a few in public sector units) are made with an orientation of explaining the characteristics of the organisational climate and organisation culture of several industries. Limited studies are made to make an inference between organisational climate and work culture with employee performance in public sector units. In the U.P west region, there is a vast gap in the literature to explain the above dimensions, associations, and characteristics of public sector units despite their great value to society.

Previous studies are not able to state the relationship among the overall variables, the Role of decentralisation is not explained in earlier studies and there is limited literature found on change management and its relation with organisation climate.

There is no one study found in the literature review, in which organisational climate and work culture predict employee performance jointly and made a significant hold on overall Employee productivity.

This study is an effort to fill this gap and compare the dimensions of these variables regarding public sector units which are very scarce in the literature to per best of the researcher's knowledge. An effort will also be made to develop a conceptual model of organisational climate and work culture for public sector units (Indian oil corporation ltd).

SECTION 4: Theoretical model

To determine the influence of organisational culture on organisational climate and where the change should be implied theoretical model has been developed by the authors.

In Fig. 1 factors and relations influencing organisational climate are listed from the literature, model also shows where the change agent should be involved.

Therefore, when looking into new ways how to manage change more successfully, the impact on organisational climate is very critical, considering organisational cultural aspects. Authors have developed the model (Fig 1) from literature analysis.

Additionally, according to Denison et al. (2004) organisational culture parameters, shows input from change agent and output to organisational climate. Therefore, relations between organisational culture and climate in the change process are explored.

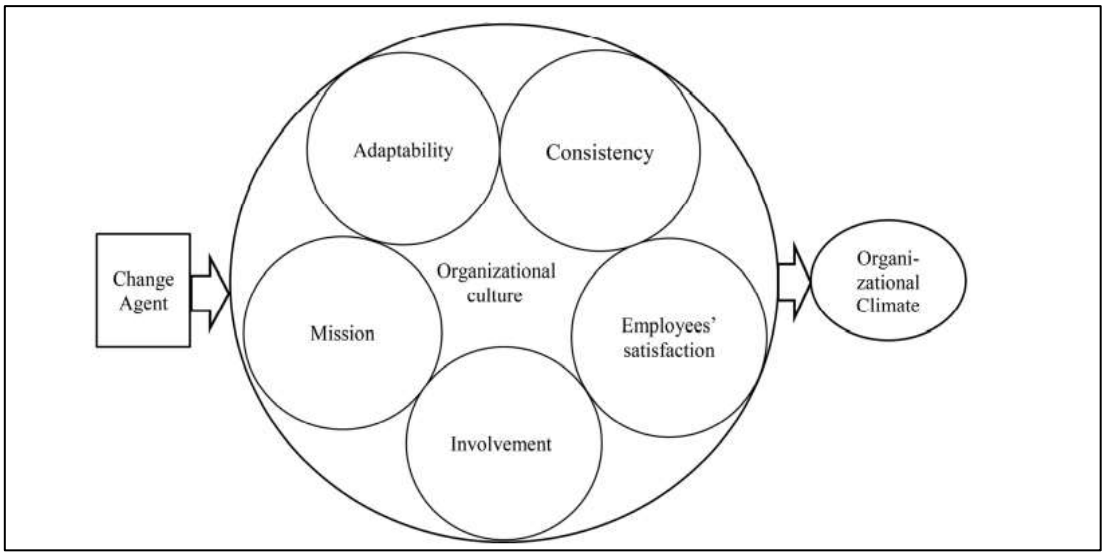

Figure: Organisational culture factors influencing organizational climate
(Source: Designed by the authors from literature analysis)

SECTION 5: Problem Statement:

The focus of this review of the literature was to explore the association between organisational climate and culture with job satisfaction. Organisational climate is the psychological atmosphere of a company (Pritchard & Karasick, 1973). Organisational culture plays a big role in determining whether an employee feels happy at work. Satisfaction in the workplace is also important because it can affect whether one reaches their full potential in their tasks (Lukić et al., 2014).

Much of the empirical research has evaluated how managers were implementing a positive organisational climate in the company. Much less literature exists on perceived ideas of organisational culture and satisfaction. Furthermore, most of the research is geared toward those in middle adulthood, neglecting Millennials and today's emerging adults. In the review of literature, many of the readings focus on the organisational level and not so much on the effects of the individual level. While there were outcomes associated with individual thoughts and perceptions, more literature regarding individual effects from organisation practices would be beneficial to the academic world. Particularly because a great deal of the research has taken a top-down approach to address organisational climate. Thus, it would also be beneficial to examine individual perceptions of job satisfaction in terms of organisational climate. By looking at the individual level and structuring the climate around that, I believe there could be higher levels of job satisfaction, which could lead to more positive outcomes in the work environment.

Perceived ideas of organisational Climate and culture are not defined

When companies recognized organisational climate as an important component of the organisation, positive outcomes were associated with job satisfaction. Job satisfaction led to optimism in the workplace, overall happiness, motivation, job retention, overall well-being, performance, and working well with others.

Thus far the research has focused on those in the business, science, and academic sectors. Additionally, much of the empirical research has evaluated how managers were implementing a positive organisational climate in the company. Very few works of literature exist on perceived ideas of organisational Climate, culture, and satisfaction.

SECTION 6: SIGNIFICANCE OF STUDY

In the changing world of globalisation, A Healthy culture and climate are inevitable for acquiring higher competencies and sharpened skills.

Although the U.P west region has a progressive face in many areas of social development, it is a sad predicament that the industrial sectors in the state are yet to shed their conservative approaches and go out to take up new challenges and opportunities. The contribution of the present status and the unwillingness of the authorities to bring on changes either structural or functional in the industrial development scenario would be highly damaging to the interests of the young generation in general and the present employees. The findings of the study should help the concerned authorities to provide a lack of cultural elements which can increase the service output and efficiency.

Public enterprises have more social obligations than other organisations. These organisations spending on cultural activities did not convert into the desired output. Additional cultural and climate activities are needed to increase the effectiveness and efficiency of the employees of IOCL in different divisions i.e., marketing, refineries, and pipeline at different locations in the UP-west region.

This study proposed to be made to analyze the problems and prospects of the culture and climate of Indian oil employees at different locations of the U.P west region. The feedback from this organisation will help a lot to improve the healthy culture and climate in these locations.

AREA OF STUDY

The area of study covers different locations of different divisions of Indian oil corporations limited in

the U.P west region. These were namely:

- Marketing
- Pipeline
- Refinery

SECTION 7: Objective of the Study:

1. To examine the impact of work culture on organisation climate.
2. To analyse how employee welfare is helpful in employee performance and productivity.
3. To analyse the role of Decentralisation in the public sector unit.
4. To analyse how Change management helps form organisational climate.

SECTION 8: Hypothesis and Conceptual Framework

Hypothesis formulation will help to study and explore the relatedness of the elements. The Hypothesis to be tested is as:

H_1: There is a positive relationship between workplace culture and organisational climate.

H_2: There is a positive relationship between employee welfare & Employee performance & productivity.

H_3: There is an impact of decentralisation on public sector units.

H_4: Change management helps form Organisation culture.

Conceptual Framework

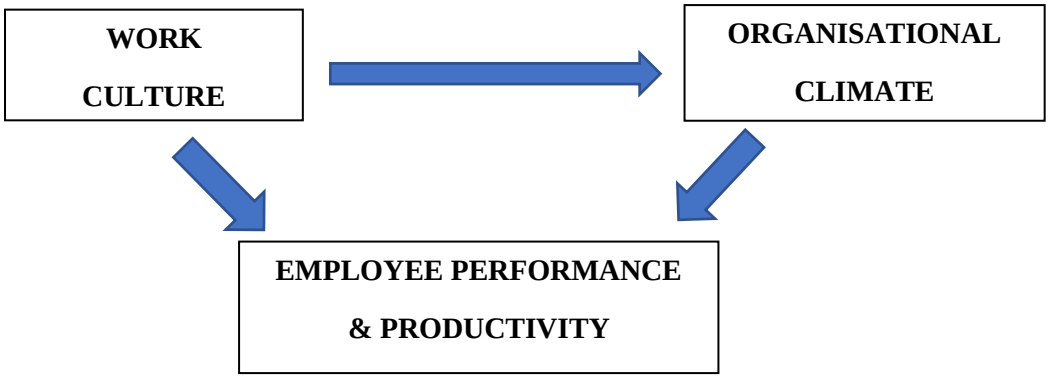

Figure 2: Conceptual Framework of the Study (Source: Self-Construct)

SECTION 9: RESEARCH METHODOLOGY

Undertaken research study aimed to analyse the work culture and organisational climate of different locations of Indian oil corporation limited public sector enterprises in the U.P west region.

The present research study is an attempt to categorise the positive and negative aspects in the path of making a healthy climate in different locations of IOCL.

9.1 Research Design: This research work shall be purposive as well as judgmental in nature based on survey/observation/interview.

9.2 Sample Design:

9.2.1 Target population: The employees of IOCL in the U.P (west) were considered as elements of the population for the study. The total population was 1145, considering all the locations of different divisions of IOCL (PSU) in the U.P (west).

9.2.2 Sample Area: All locations of U.P (west) will be taken for the study mainly divided into three divisions namely refinery, marketing, and pipeline, from A-F grade.

The analytic hierarchy process (AHP) is a method researchers will use to guide decision-making processes and support goals, plans, and operations. Using the AHP framework helps this research make multiple decisions using criteria assessment and prioritization.

Table 2: Grade wise details of employees in different location

	NO. OF LOCATIONS	A	A1	B	C	D	E	F	TOTAL
MARKETING	43	20	66	148	74	65	37	27	437
REFINERY	1	28	63	207	162	62	25	23	570
PIPELINE	1	7	10	72	28	8	9	4	138
	TOTAL	55	139	427	264	135	71	54	1145

(Source: Compiled by the researcher)

Further marketing division is subdivided into Air force station (AFS), Area office (AO), Divisional Office (DO), Indane DO, labs, Terminals, Bottling plants (BP), Depots, and Bitumen drum filling plant (BDFP).

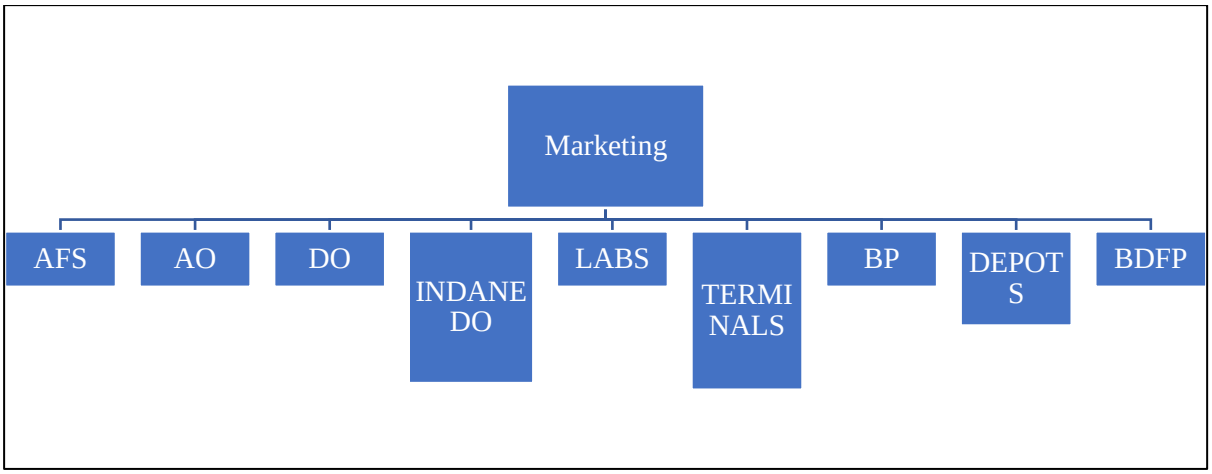

Figure 2: Different divisions of marketing field (Source: Compiled by the researcher)

AFS- 5

AO-4

DO-5

INDANE DO-4

LABS-4

TERMINALS-4

BP-11

DEPOTS-3

PDF-1

9.2.3 Sampling procedure: As it is a finite population, purposive /Judgmental sampling will be done. For the marketing division, we will be doing cluster sampling, as this plan is mutually homogeneous yet internally heterogeneous.

9.2.4 Sample unit: Employees from different locations.

9.2.5 Calculation of Sample size: Following Slovin 's formula for finite population (known) will be used to arrive at a representative number of respondents (Slovin, 1960).

$n = N/ (1+Ne^2)$

n = Sample size of the Population

N = Population Size

e = Desired level of Precision/ Margin of Error at 5% (Based on Scenarios – See Appendix).

$n = 1145/ (1+1145 *0.05^2)$

n =296.4

Based on the calculation of sample size, the preliminary sample size is computed to be 297**.**

Sample size: 297

9.3 DATA COLLECTION:

Data collection will be done through online/offline surveys of employees.

9.3.1Sources of data:

Primary Data: primary data will be collected through employees' opinions on climate and culture.

Secondary Data: secondary data for the study has been collected through previous research, articles, and published reports.

9.3.2 Data collection instrument:

The self-constructed questionnaire will be used for collecting data.

Interviews of employees will also be conducted offline and online both.

9.3.3 Data collection process:

Questionnaires will be made by using google forms and they will be sent to the employees through formal and informal networks both.

9.3.4 Tools and techniques:

The researcher will make use of descriptive statistics, correlation, multiple regression analysis, and inferential analysis.

Any other tool that adds value to the data and gives meaningful interpretations shall also be considered once the data is collected.

SECTION 10: PROPOSED CHAPTERS:

Chapter 1-Introduction

Chapter 2-Review of Literature and Gap Identification

Chapter 3-Conceptual framework of the study

Chapter 4- Research design and Methodology

Chapter 5- Data Analysis, Results, and Interpretation

Chapter 6- Conclusion and Suggestions

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Appendix

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Appendix

Calculation of Sample Size: It is critical to choose the most appropriate sample size for the research as a very less sample size will give inappropriate results and a very large sample size would lead to a waste of resources like time, effort, and money. Hence, Slovin 's formula for finite population (known) will be used to arrive at a representative number of respondents (Slovin, 1960).

$n = N/ (1+Ne^2)$

n =Sample size of population

N = Population Size

e = Desired level of Precision/ Margin of Error at 5% (Based on Scenarios – See Appendix).

$n = 1145/ (1+1145 *0.05^2)$

n =1145/ (1+1145*0.0025)

n=1145/ (1+2.8625)

n=1145/3.8625

n=296.4

Based on the calculation of sample size, the preliminary sample size is computed to be 297**.**

Sample size: 297